

FILED
1/19/21 11:23 am
CLERK
U.S. BANKRUPTCY
COURT - WDPA

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In re:	:	Case No. 20-22083-GLT
	:	Chapter 13
MICHAEL B. SHEPPERD AND	:	
PATRICIA A. SHEPPERD,	:	
	:	
<i>Debtor.</i>	:	Related to Dkt. Nos. 46, 47

ORDER

On January 13, 2021, this matter came before the Court for hearing on the *Order to Show Cause* dated December 2, 2020¹ directing Attorney Brian C. Thompson to show cause why the Court should not impose sanctions under Fed. R. Bankr. P. 9011(b) (“Rule 9011”) in connection with his filing of the *Debtor’s Objection to Proof of Claim No. 14* (the “Claim Objection”) on behalf of the debtors Michael B. and Patricia A. Shepperd.² Through the *Claim Objection*, the Debtors sought disallowance of the secured claim filed by Veripiro Solutions, Inc. (“Veripiro”) on the basis that it was “ordered forever satisfied and discharged” by an order of this Court (the “*Order*”) entered in a prior bankruptcy case.³ Upon review, however, the Court found that the Debtors’ previous chapter 13 case was dismissed, which, by operation of 11 U.S.C. § 349(b)(1)(C), reinstated the Veripiro’s lien. Accordingly, the Court entered the *Order to Show Cause* because it appeared Attorney Thompson knowingly recorded the *Order* prematurely and filed the *Claim Objection* without a basis in law or fact. Attorney Thompson filed a timely response (“Response”) to the *Order to Show Cause*⁴ and appeared as directed.

¹ Dkt. No. 46.

² Dkt. No. 35.

³ Dkt. No. 35 at ¶¶ 5-9.

⁴ Dkt. No. 47.

Upon consideration of the *Response* and Attorney Thompson's statements at the show cause hearing, the Court finds that he did not willfully violate Rule 9011. Instead, it appears that both the premature recording of the *Order* and the filing of the *Claim Objection* was largely the result of Attorney Thompson's carelessness in reviewing his own files. Although his conduct fell short of the "objectively reasonable" standard of Rule 9011,⁵ there are several mitigating factors. First, no party suffered any discernable prejudice due to the *Claim Objection*. Second, despite the impact of 11 U.S.C. § 349(b) on the *Order*, there is no reason why the Debtors could not ultimately obtain the same relief in the present case. Third and most importantly, the Court is satisfied that the concerning issues arose from an aberrant confluence of events and is not likely to repeat. Thus, sanctions do not appear necessary for future deterrence.

AND NOW, in light of the foregoing, it is hereby **ORDERED, ADJUGDED**, and **DECREED** that the *Order to Show Cause* is **RELEASED**.

ENTERED at Pittsburgh, Pennsylvania.

A handwritten signature in black ink, appearing to read "Gregory L. Taddonio", with a stylized flourish extending to the right. Below the signature, the initials "sjb" are printed.

GREGORY L. TADDONIO
UNITED STATES BANKRUPTCY JUDGE

Dated: January 19, 2021

Case administrator to mail to:
Debtors
Attorney Thompson
Chapter 13 trustee

⁵ See Dura Systems Inc. v. Rothbury Investments, Ltd., 886 F.2d 551, 556 (3rd Cir. 1989).

In re:
Michael B. Shepperd
Patricia A. Shepperd
Debtors

Case No. 20-22083-GLT
Chapter 13

CERTIFICATE OF NOTICE

District/off: 0315-2
Date Rcvd: Jan 19, 2021

User: aala
Form ID: pdf900

Page 1 of 2
Total Noticed: 1

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Jan 21, 2021:

Recip ID	Recipient Name and Address
db/jdb	+ Michael B. Shepperd, Patricia A. Shepperd, 121 Leatherbark Road, Cranberry Twp, PA 16066-4759

TOTAL: 1

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI).

NONE

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

NONE

NOTICE CERTIFICATION

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jan 21, 2021

Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on January 19, 2021 at the address(es) listed below:

Name	Email Address
Brian Nicholas	on behalf of Creditor THE BANK OF NEW YORK MELLON F/K/A The Bank of New York as trustee for registered Holders of CWABS, Inc., Asset-Backed Certificates, Series 2007-BC3 bnicholas@kmlawgroup.com
Brian C. Thompson	on behalf of Debtor Michael B. Shepperd bthompson@ThompsonAttorney.com blemon@thompsonattorney.com;mgillespie@thompsonattorney.com;bthompson@ecf.courtdrive.com;jgorze@thompsonattorney.com;jcastello@thompsonattorney.com;kbelko@thompsonattorney.com
Brian C. Thompson	on behalf of Joint Debtor Patricia A. Shepperd bthompson@ThompsonAttorney.com blemon@thompsonattorney.com;mgillespie@thompsonattorney.com;bthompson@ecf.courtdrive.com;jgorze@thompsonattorney.com;jcastello@thompsonattorney.com;kbelko@thompsonattorney.com

Office of the United States Trustee
ustpregion03.pi.ecf@usdoj.gov

District/off: 0315-2

User: aala

Page 2 of 2

Date Rcvd: Jan 19, 2021

Form ID: pdf900

Total Noticed: 1

Ronda J. Winnecour

cmecf@chapter13trusteedpa.com

TOTAL: 5